



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3261

Introduced 2/24/2011, by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Creates a credit for each business that is newly established in the State or that relocates to the State during the taxable year or the previous taxable year. The taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 10% of the wages paid by the business during the taxable year to full-time employees who are residents of Illinois. Creates a credit for other businesses that increase their total full-time employment head count during the taxable year by at least 10 employees in an amount equal to 10% of the wages paid by the business during the taxable year to each resident of Illinois that is first hired by the business during the taxable year.

LRB097 09240 HLH 49375 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 221 as follows:

6 (35 ILCS 5/221 new)

7 Sec. 221. Tax credit for new businesses and new employees.

8 (a) For taxable years beginning on or after January 1, 2011
9 and ending on or before December 31, 2016, each business that
10 is newly established in the State or that relocates to the
11 State during the taxable year or the previous taxable year is
12 entitled to a credit against the tax imposed by subsections (a)
13 and (b) of Section 201 in an amount equal to 10% of the wages
14 paid by the business during the taxable year to full-time
15 employees who are residents of Illinois.

16 (b) In addition, for taxable years beginning on or after
17 January 1, 2011 and ending on or before December 31, 2016, each
18 business located in the State that does not qualify under
19 subsection (a) of this Section that increases its total
20 full-time employment head count during the taxable year by at
21 least 10 employees is entitled to a credit against the tax
22 imposed by subsections (a) and (b) of Section 201 in an amount
23 equal to 10% of the wages paid by the business during the

1 taxable year to each resident of Illinois that is first hired
2 by the business during the taxable year.

3 (c) The tax credit may not reduce the taxpayer's liability
4 to less than zero. If the amount of the tax credit exceeds the
5 tax liability for the year, the excess may be carried forward
6 and applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit must be applied to
8 the earliest year for which there is a tax liability. If there
9 are credits from more than one tax year that are available to
10 offset a liability, then the earlier credit must be applied
11 first.